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DEC 18 2006

REMARKS.

The submitted amendments to the claims are supported in the specification at [0029] describing Fig. 5, and as discussed during an examiner interview on December 18, 2006.

I. Claims 1 and 3.

(1) In the Final Office Action of July 26, 2006, the examiner rejected claims 1 and 3 under 35 USC 103(a) over Gandhi, US 2005/0120102A1, Sankaranarayan, US 6,799,208, and in view of Rolia, US 2005/0240668.

(2) The Applicant has amended each claim to distinguish over Rolia. Specifically, Rolia discloses minimizing the cost of a breach, but does not disclose making an exact calculation as claimed by applicant: "determining the minimum total rebate payable by the service provider for the breach." In addition, Rolia does not disclose the use of a target list of standard customers, nor does Rolia disclose that the decision to shift resources would be based upon all of the following: performance data, the target list and the status of the customers. Applicant submits that the amendments distinguish over Rolia.

II. Claim 2.

(1) In the Final Office Action of July 26, 2006, the examiner rejected claim 2 in view of Gandhi, US 2005/0120102A1, Rolia, US 2005/0240668 and Sankaranarayan, US 6,799,208.

(2) The Applicant submits that the amendments distinguish over Rolia for the same reasons stated above in regard to Claims 1 and 3.

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In light of the distinctions made in the claim amendments in response to the Final Office Action of July 26, 2006, the applicant submits that claims 1-3 are not obvious over Ghandi, in view of Sankaranarayan, and in further view of Rolia, and that the claims are in condition for allowance.

Respectfully submitted,

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